Development of Colorado's Water Quality Standard for Molybdenum

August 11, 2022







fcx.com



Overview



- Introductions
- Background on molybdenum standard and temporary modification
- Update on new developmental/reproductive toxicity study in rats given a marginal copper diet
- Water supply standard based on WQCC Policy 96-2
- Treatment plant status
- Next steps

ELECTRIFYING THE FUTURE

Background on Molybdenum Standard and Temporary Modification



- 2010: WQCC adopts 210 ug/L in Reg. #31 based on Fungwe
- 2014: WQCC adopts standard in Reg. #33 along with temp mod for portion of Tenmile Creek (Blue River Segment 14)
- 2017: Molybdenum standards hearing (continued and then later postponed pending ATSDR Mo tox profile)
- 2018-2022: WQCC extends temp mod to accommodate delay in ATSDR profile and changes to WQCC hearing schedule



Progress on Temporary Modification FREEPORT

- Climax continues to maintain current condition
 - Achieving current conditions by temporarily modifying mine plan
 - Begin construction of molybdenum removal water treatment plant (MRWTP) to maintain current conditions and have mine plan flexibility
- Climax continues to monitor water quality
 - Worked with local stakeholders to identify locations to sample Mo concentrations
 - Data made available to the public on ClimaxMoinCO.com



Progress on Temporary Modification FREEPORT

- Significant advances in science
 - Publication of 3 state-of-the art molybdenum studies
 - Independent review, including by ATSDR
 - ATSDR profile published in May 2020
 - New CRL study completed 2022
- More detail provided in annual updates

Update on New Developmental/ Reproductive Toxicity Study in Rats Given a Marginal Copper Diet

Dr. Jay Murray

Introduction

- Climax sponsored a recent study to determine whether the Fungwe study results can be replicated
- Climax notified the stakeholders in advance of conducting this study
- Conducted at Charles River Laboratories (CRL, Horsham, PA)
 - Study will be published in a peer-reviewed journal
- These are results based on the 750-page draft report from CRL
- The results prove that the Fungwe study is not reproducible and not reliable

Background

- In 1990, Fungwe reported developmental and reproductive toxicity in rats given molybdenum (Mo) in the drinking water and maintained on a marginal copper (Cu) semi-synthetic diet
- The Fungwe study has many serious limitations, which has called into question its reliability
- The toxic effects reported by Fungwe were not observed in recent peer-reviewed and published guideline toxicity studies of Mo
- ATSDR excluded the Fungwe study as the critical study for its risk assessment because of its limitations, but ATSDR applied a modifying factor (MF) of 3 based on the Fungwe study

Basis for ATSDR modifying factor (MF) of 3

"3 MF for concern that reproductive and/or developmental effects may be a more sensitive endpoint than kidney effects in populations with marginal copper intakes. The copper content of the Murray et al. (2014b, 2019) reproductive/developmental studies used a commercial diet with a fairly high copper content. In contrast, the Fungwe et al. (1990) study, which reported reproductive effects, utilized a diet that was slightly higher than the dietary requirement. The differences in the copper contents of the diet may explain differences between the study results."

-- ATSDR Toxicological Profile for Molybdenum (2020), p. A-20 to A-21.

Why was this study conducted?

- "Additional studies are needed to provide insight into the apparent conflicting results." -- ATSDR (2020)
- In 2017 hearing, WQCD suggested a study to see if the results of Fungwe could be replicated
- In response, the current study was designed to replicate the design of the Fungwe study
- The potential developmental and reproductive toxicity of Mo was assessed in female Sprague-Dawley rats
 - administered Mo in the drinking water
 - maintained on a semi-purified diet with a marginal copper level of 6.2 ppm to match the Fungwe study (reported as 6.3 ppm)

Overview of Findings

- The study did not confirm any of Fungwe's adverse findings
- The NOAEL for developmental toxicity in the CRL study is 40 mg Mo/kg/day, the highest dose tested
- This is the same NOAEL for developmental toxicity observed in the first IMOA developmental toxicity study
- In other words, the CRL study shows that Mo dosing in combination with a marginal copper diet does not cause developmental toxicity at doses up to 40 mg Mo/kg/day

Experimental Design

- 0, 20 and 40 mg Mo/kg/day in the drinking water
- Marginal copper semi-synthetic diet (6.2 ppm Cu) given to all groups
- 8 weeks prior to mating, 2-week mating period, and 3 weeks of gestation
- CRL study design is virtually the same as the Fungwe study

No Test Material-Related Adverse Effect on Dams or Fetuses

- mortality
- clinical observations
- body weight
- body weight gain
- food consumption
- estrous cycling
- reproductive performance
- maternal macroscopic pathology

- # of fetuses
- # of live fetuses
- resorptions
- sex ratio
- fetal body wt.
- external malformations
- external variations

Draft Report Conclusion by CRL Toxicologists

"Therefore, based on these results, the systemic toxicity, maternal and developmental no-observed-adverse-effect levels (NOAELs) were considered to be 40 mg Mo/kg bw/day."

Comparison of Results: Fungwe vs. CRL Study

Presumed Fungwe doses: 0, **0.76**, 1.5, 7.6, 15 mg Mo/kg bw/day (ATSDR, 2020) CRL study actual doses: 0, 20, **40** mg Mo/kg bw/day

- Fungwe: Prolonged estrous cycle at doses of 1.5 mg/kg/day and greater (extended by 6-12 hrs in most animals)
- CRL: No significant effect on estrous cycle at 20 or 40 mg/kg/day (4.41, 4.38, 4.47 day average length of cycle at 0, 20, and 40 mg Mo/kg bw/day)
- Fungwe: 1.5 mg/kg/day and greater "tended to have fewer pups"
- CRL: No significant effect on the average number of fetuses or average number of live fetuses at 20 or 40 mg/kg/day
- Fungwe: 1.5 and greater "fetuses were significantly smaller and weighed less." (7%, 9%, 32%, and 27% decrease at 0.76, 1.5, 7.6, and 15 mg/kg/day)
- CRL: No statistically significant effect on fetal body weight at 20 or 40 mg/kg/day (6% and 5% decrease at 20 and 40 mg/kg/day, respectively)

Why is the Fungwe study not reproducible and not reliable?

- Subject to speculation
- ATSDR noted it may have underestimated the dose levels used by Fungwe based on comparison of liver Mo concentrations; Fungwe did not analyze the levels of Mo in drinking water
- Fungwe did not analyze his diet for copper, and the liver copper (Cu) levels were 8-times greater than rats on an adequate Cu diet, suggesting his diet was not a marginal Cu diet
- Many limitations and errors identified previously
- The conflicting results have nothing to do with a marginal Cu diet

Conclusions

- Strongest evidence to date that the Fungwe study is unreliable and irreproducible
- The NOAEL for developmental toxicity in rats is 40 mg Mo/kg/day whether the copper level in the diet is adequate or marginal
- ATSDR's MF of 3 is not scientifically justified
- The Fungwe study (basis for Colorado's Mo WQS) should not be relied upon by any regulatory agency
- The IMOA and the CRL studies represent the best scientific information available concerning the toxicity of Mo

Policy 96-2 and RfD





Calculation of the RfD



- RfD is calculated by applying UF and MF (if appropriate) to the NOAEL
 - ATSDR added total UF of 100 and MF of 3
 - MF of 3 based on Fungwe without opportunity for public comment; not included in the draft ATSDR profile
- For purposes of a prompt hearing and to build consensus Climax will accept ATSDR's total UF of 100 (10x10) even though CO's current standard, which is based on debunked science, uses a total UF of 30.
- However, MF of 3 not supported by best scientific information, and it should be removed

Source	NOAEL, mg/kg/day	UF Inter- species	UF Intra- species	Modifying Factor	Calculated RfD
ATSDR MRL	17	10	10	3	0.06
Climax	17	10	10		0.17

Recommended Input Factors



- RfD = 0.17 mg/kg/day
 - Applies ATSDR's chosen NOAEL, and ATSDR's UF of 100
 - Does not include MF based on updated science
- RSC = 0.8
 - Applies EPA's recommended RSC from 2017 hearing, as further confirmed by the Produce Study
- Body weight = 80 kg; Drinking water intake = 2.4 L
 - Based on updated science, and approved by WQCC and WQCD

Policy 96-2 Equation: Two Scenarios FREEPORT

1: DWS/MCLG, $\mu g/L = 0.17 \times 80 \times 1000 \mu g/L \times 0.8 = 4350 \mu g/L$ (chronic)

2.4 x 1

Where:

- 0.17 = Calculated RfD (without MF), in mg/kg/day
- 80 = weight of an average adult in kg
- 2.4 = daily drinking water consumption in liters/day
- 0.8 = RSC

2: DWS/MCLG, $\mu g/L = 0.06 \times 80 \times 1000 \mu g/L \times 0.8 = 1600 \mu g/L$ (chronic)

2.4 x 1

Where:

- 0.06 = Calculated RfD (with MF=3), in mg/kg/day
- 80 = weight of an average adult in kg
- 2.4 = daily drinking water consumption in liters/day
- 0.8 = RSC

Recap of Treatment Alternatives



	Alternative 1	Alternative 1A	Alternative 2	Alternative 3
Description	Full Flow MRWTP with sand filters			MRWTP 50% of full flow
CAPEX estimate (Q2 2022 Dollars)	\$155,000,000- \$163,000,000	\$112,000,000- \$120,000,000		\$95,000,000- \$103,000,000
OPEX estimate (Q3 2021 Dollars)	\$3,688,000	\$3,318,000	\$3,242,000	\$2,724,000
Flow at capacity, gpm	14,000	14,000	10,500	7,000
Molybdenum effluent criteria with low exceedance risk	210 ug/l	1,000 ug/l	4,330 ug/l	7,660 ug/l
Duration to implement (2020 Estimate)	3 yrs	2.5 yrs	3 yrs	3 yrs
Treatment Plant Still Needed after closure	Yes	Under Investigation	No	No

Update on Treatment Plant



- Climax pursuing Alternative 1A (full flow MRWTP without sand filters)
 - DRMS approved technical revision for the construction on May 31, 2022
 - Tenmile Planning Commission in Summit County approved Climax's request for site plan review on July 14, 2022

Grading and Excavation permit issued July 13

- Construction stormwater permit issued by WQCD July 21
- Construction kicked off July 18, with groundbreaking July 27

ELECTRIFYING THE FUTURE

Update on Treatment Plant





3D Model of MRWTP

Update on Treatment Plant





3D Rendering of the PDWTP with MRWTP

Next Steps



- Rulemaking scheduled for June 2023
 - Proposal due mid-January 2023
 - Climax's prehearing statement due early March 2023
 - Responsive prehearing statements due early April 2023
- Stakeholder discussions to try to arrive at consensus
 - More discussions to be scheduled depending on stakeholder interest and time
- Only two issues need to be resolved:
 - Should the RfD be calculated without the extra MF that was based on a discredited and unreliable study?
 - Should an RSC of 0.8 be applied given low dietary intake of molybdenum?